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TO RUEHC/SECSTATE WASHDC 3109  
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RUEATRS/DEPT OF TREASURY WASHDC  
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RUEHMO/AMEMBASSY MOSCOW 9195  
RUEHBJ/AMEMBASSY BEIJING 5214  
RUEAIIA/CIA WASHINGTON DC  
RUEKJCS/SECDEF WASHINGTON DC  
RHHMUNA/USCINCPAC HONOLULU HI

UNCLAS SEOUL 000161

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STATE FOR EAP/PD FOR SWALKER, EAP/P, EAP/K  
STATE PASS USDA ELECTRONICALLY FOR FAX/ITP SCHEIKH  
STATE PASS USTR FOR RCASSIDY  
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TREASURY FOR OASIA/MGREWE  
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SUBJECT: MEDIA REACTION IN SEOUL

Subject: Media Reaction; Seoul

Global Economy

"The World Must Not Repeat Protectionist Mistakes"

Conservative Chosun Ilbo editorialized (02/03): "History has taught us that economic crises drive countries to cave in to the temptations of protectionism and nationalism, which make it more difficult to overcome difficulties. The Great Depression of the 1930s is a key example. In 1930, the U.S. Senate ratified the Smoot-Hawley Tariff Act, which raised tariffs on imports by an average of 20 percent, in order to protect American businesses and jobs. The result was the opposite. America's major trading partners, including Britain, France, Germany, Italy and Canada, implemented retaliatory tariffs, causing global trade to decline and leading the entire world into economic depression. Countries around the world, especially the U.S., must not repeat mistakes made 80 years ago, when protectionist measures drove the global economy into the path of destruction."

"No to U.S. Return to Protectionism"

Park Sung-hoon, professor at the Graduate School of International Studies at Korea University, opined in conservative Dong-a Ilbo (02/03): "If the U.S. returns to protectionism, it would likely lead the EU and Japan to move in the same direction, triggering a domino effect which would be disastrous enough to plunge the current financial crisis into a global depression. Furthermore, the global multilateral trade system represented by the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) might collapse, ... rupturing the link to free trade and investment that has propped up the world economy. This would surely not be beneficial to the world economy as well as the U.S. It is high time for more active U.S. leadership."

"The Obama Administration's Protectionist Measures Unsettling"

Moderate Seoul Shinmun editorialized (02/03): "The U.S. has advocated free trade and globalization. Yet it is now building high protectionist barriers for the sole purpose of saving itself from the global financial crisis, which it originated. This is not the right attitude for the world's superpower that holds sway over the

global economy. The Obama Administration should resist the temptation of trade protectionism and find a way for the entire world to overcome the crisis together and coexist harmoniously."

Stephens